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THE
TRUE COMMERCIAL POLICY
FOR GREATER BRITAIN.

AN ADDRESS

DELIVERED BY

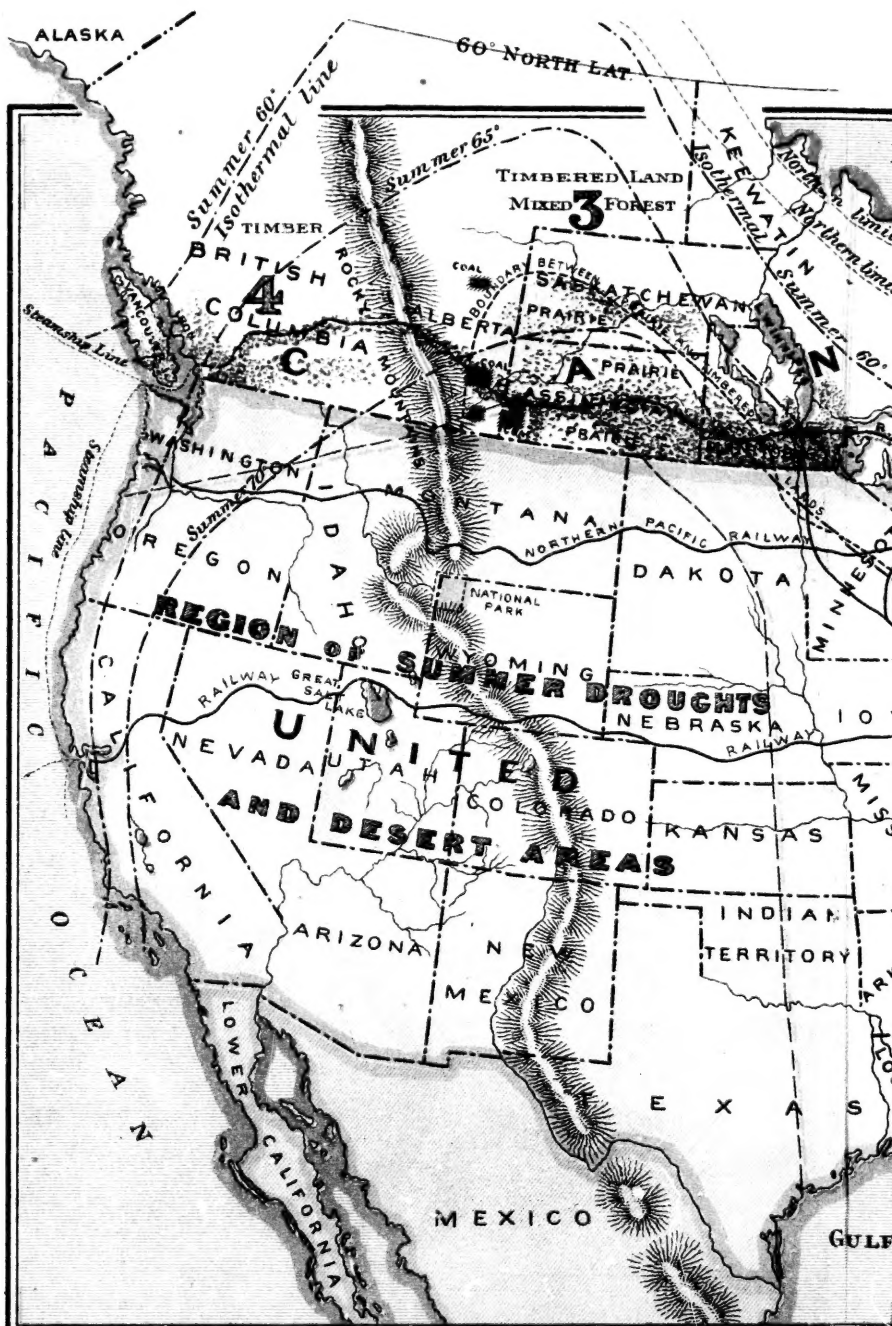
J. N. BLAKE,

Of Toronto, Barrister-at-Law,

BEFORE THE COMMERCIAL UNION CLUB AT ASSOCIATION
HALL, TORONTO, APRIL 5th, 1888.

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UNITED STATES

THE TRUE COMMERCIAL POLICY FOR GREATER BRITAIN.

AN ADDRESS

DELIVERED BY J. N. BLAKE, OF TORONTO, BARRISTER-
AT-LAW, BEFORE THE COMMERCIAL UNION CLUB AT
ASSOCIATION HALL, TORONTO, APRIL 5TH, 1888.

"The seat of Anglo-Saxon commercial power is upon this continent to-day."

"Union, freedom and progress, great watchwords of the past, let them ever guide our future."

SOME POLITICO-ECONOMIC QUESTIONS IN THE UNITED STATES AND CANADA BRIEFLY REVIEWED.

"Prohibitory tariffs prevent relief from without, while trusts, pools and combinations plunder the people within."

THE OLD AND NEW WORLDS COMPARED AND SOME SUGGESTIONS MADE AFFECTING THE WELFARE, PROGRESS AND PROSPERITY OF THE INHABITANTS OF THE NORTH AMERICAN CONTINENT—"THE GREATER BRITAIN."

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TORONTO, April 23rd, 1888.

In preparing the following paper I felt that it was hardly possible to do justice to so vast a subject within the bounds of a single address, but if the paragraphs which represent the chapters I would fain have added serve to attract attention and induce consideration of the matters referred to, I will be content. Commercial union or North American free trade can hardly be said to be within the sphere of politics in Canada until the United States Congress pronounces upon it. The resolution introduced, since this paper was written, into the Dominion Parliament was therefore, perhaps inopportune. and had the appearance of an attempt to place representatives elected at a time when the subject had not been mooted, in apparent variance with the wishes of the majority of the people. The result was a vote as nearly as possible upon strict party lines. Whether the course adopted will redound to the credit of the Opposition depends greatly upon the action of the Government during the period which may elapse before another election takes place. Should Congress declare in favor of such a measure, that election cannot be delayed very long. If not, matters may drag out for the usual term. When the subject finally does come to an issue let us hope that the object may be attained, not as a mere party triumph, but as a com-

Preface.

promise arranged on such a graduated scale that the change will in a measure protect vested interests, and at the same time be productive of good to the vast majority.

Mr. Leadyard's able article given herewith indicates the immense dormant wealth of Ontario alone in iron ores. I may also mention that the only anthracite coal mine west of Pennsylvania is situate in Canada, near the Rocky Mountains, and that within the past few months a lode of gold-bearing quartz, said to be the richest ever known, has been discovered within 300 miles of Toronto, whilst additional discoveries of silver, copper, asbestos, mica and other minerals have recently been made in several sections of Northern Ontario.

J. N. BLAKE.

THE TRUE COMMERCIAL POLICY FOR GREATER BRITAIN.

If there is anything that passes beyond the bounds of mere assertion, and takes its place as a self-evident proposition, it is that the people of two countries, having the same origin, language and fundamental principles of law, separated, by a boundary for the most part merely an imaginary line extending for thousands of miles across a continent, must necessarily be interested in the prosperity of either, in which matters relating to trade and commerce and the development of natural resources are the main factors.

History furnishes no parallel to the position of the United States and Canada.

Mr. J. S. Jeans, in his valuable work entitled, "England's Supremacy, its Sources and Dangers," says :—

In the whole range of politico-economic inquiry there is perhaps no more interesting subject of study than that of the competition for manufacturing and industrial supremacy between England and the United States. The growth of both nations during the last twenty-five years has been one of the most remarkable facts in the world's history. Both countries have had many advantages in common ; each has had advantages and opportunities peculiar to itself. England, as the older country, has enjoyed the benefit of an established and universal commerce, a merchant marine of surpassing mobility and efficiency, a wealth of inventions and processes more or less limited to itself, a highly skilled and industrious proletariat, and many other means of maintaining and improving her place among the nations, which a new and undeveloped country can only acquire by graduated and often difficult stages. America, on the other hand, has possessed an enormous wealth of virgin soil, ready to hand, whereby it became possible for men, so to speak, to reap where they had not sown ; it had the further advantage of being divested of all old-world practices, and traditions in reference to the transfer and holding of land ; it was unburdened by laws of primogeniture, entail, hypothec, and many other anomalies

and evils that have grown up around the English land system ; it was, until lately, free, or almost so, from any national debt ; it had almost entire exemption from such forms of taxation as poor-rates—for how could there be many poor where there was abundance for all ?—it had magnificent internal water-ways, which rendered transportation simple and inexpensive ; it possessed inexhaustible mineral wealth of every description ; and over a great part of its area it enjoys a climate that is second to none. Considering, then, that these were the essential, though by no means the sole, differences that for the first half of the nineteenth century distinguished the two great communities of the Anglo-Saxon world, it is important to consider the results that have followed from the use and development of the special advantages of each.

And again in the 26th chapter, in which he sums up the relative position of the two countries, he says :—

In 1840, beyond which we need not travel, the accumulated wealth of the United Kingdom was calculated by Porter to be four thousand millions sterling. That of the United States for the same year was shown by the census returns to be 3,764 million dollars (753 millions sterling). Less than forty years ago, therefore, the wealth of the United Kingdom was more than five times that of the United States.

In 1860 it was calculated by Professor Leoni Levi, on much the same data as that adopted by Porter twenty years before, that the accumulated wealth of the United Kingdom reached a total of six thousand millions sterling. For the same year the American census reports showed the value of the property of that country to be 16,157 millions dols. (3,233 millions of pounds.) Assuming the accuracy of both sets of figures, it would follow that, in the twenty years' interval, the wealth of the United States had increased from less than one-fifth to more than one-half that of the United Kingdom.

In 1879, Mr. R. Giffen calculated the accumulated wealth of the United Kingdom to be 8,800 millions—an increase of 2,800 millions on Professor Leoni Levi's estimate of twenty years before. The census report of the United States for 1880 stated the wealth of the American people at the same time to be 43,642 millions dols. (8,730 millions of pounds), being an increase of 5,497 millions of pounds, or 95 per cent. more than that of the United Kingdom for the same period.

In the United States the true value of real and personal property in 1850 was calculated at 7,135 millions of dols., or an average of 308 dols. per inhabitant ; in 1860 at 16,159 millions of dols., or

514 dols. *per capita* ; in 1870 at 30,068 millions of dols., or 786 dols. *per capita* ; and in 1880 at 43,642 million dols., or 870 dols. *per capita*.

These figures require some degree of explanation and qualification, in order to their correct appreciation. In the valuation given for 1870, the item of slaves, which formed a vast source of wealth in the Southern States, and was included in the two preceding valuations, finally disappears. On the other hand the nominal values of property are greatly swollen by being expressed in an inconvertible paper currency, which in the census year 1870 was at an average discount of about one-fifth in gold.

These limitations, however, do not apply to the years 1850 and 1880, both of which are expressed in gold currency, except to the extent that in the Southern States the former year embraced slave property, and the latter did not ; and yet, notwithstanding this fact, there appears to have been an absolute increase of wealth to the extent of 36,507 million dols., or over 500 per cent., the increase of wealth *per capita* for the same period being 562 dols., or 180 per cent.

But even the remarkable increment of wealth proved by these figures becomes of comparatively small account when contrasted with the growth of prosperity in the non-slave-owning states during the decade of 1860-70. In the eighteen Northern and Western States during that interval the value of the property accumulated is shown by the census records to have increased to the extent of 159 per cent. ; in Minnesota it increased to the extent of 337 per cent., and in New York by 252 per cent. ; while in the fifteen Southern slave-owning States the decrement of wealth, notwithstanding the loss of about three million slaves, was not more than 18 per cent. These figures would be astounding under circumstances the most favorable to the development of peaceful industry and national well-being, but when we recollect that during the interval to which they apply, the country passed through one of the most devastating wars of modern times, they appear to establish an amount of vitality and recuperative strength that has probably never been paralleled, all things considered, in the world's history.

We have now seen that about 1880, for the first time in their eventful annals, the United States practically reached the same level of accumulated wealth as the mother country. It is necessary, however, to get somewhat behind the figures in order to appreciate the full bearing of the two sets of calculations. And first of all, it is obvious that the wealth of the United Kingdom is subject to reduction to the extent of our National Debt, which now

amounts to a total of 746½ millions, against a total of only 320 millions for the United States. Relatively to population the United Kingdom would still appear to remain the richer country, but how much longer, if any, can that be so? America has increased her wealth fully tenfold within the forty years under review. England has little more than doubled her wealth in the same interval. Basing our expectations for the future on the analogy of the past, it is evident that, as regards wealth, England will soon cease to be in the running with her precocious offspring. And not England alone, but the whole of Europe must be so overshadowed. For Europe, as a whole, has not only infinitely inferior natural resources, but the drain upon such resources as are possessed is immeasurably greater than in the United States. In Europe every 110 inhabitants—or in the ratio of one able-bodied man to five—and every twenty-two men sustain one soldier in actual service. In the United States, on the contrary, every 2000 inhabitants, or 400 men, sustain one soldier, this means, as Mr. Atkinson has very properly pointed out, that in Europe the work of one adult male in every twenty-two is withdrawn from productive service, and must be sustained at a heavy cost by those who remain at work, of whom again many more are compelled to waste a great part of their time in the reserves.

If then the wealth of the United States in 1880 equalled that of Great Britain, with only a small portion of her vast resources utilized, it must be apparent that to-day the United States and Canada, with double the population of Great Britain, and with the resources of Canada barely explored, must greatly exceed Great Britain in wealth.

The seat of Anglo-Saxon commercial power is therefore upon this continent to-day, and the prediction of Horace Walpole, when he said, "I believe that England will be conquered some day in New England or Bengal," has been verified.

The traditions of our origin command our respect, and should create only feelings of friendship towards those in the old world who inherit most of the wealth earned by the labor and prowess of our ancestors. With such feelings unchecked, and gathering strength with time, may it not yet be possible for our great Anglo-Saxon communities to hold this fretful world in awe, and extend the blessings of peace, prosperity and civilization to all parts of the globe.

The conditions which have resulted in the marvellous growth and prosperity of the United States are alike common to Canada.

By the Act of Confederation Canada became virtually a nation controlling the northern half of this continent. That Act was a skilful adaption of the best principles of the American and British constitutions to the circumstances of the country. Indeed for some years previously, many of the laws, especially those relating to municipal government, were modelled from those of the United States. Thus combining the best features of the American and British constitutions, the Canadian people chose that middle course between monarchical and republican institutions which, relieved from the evils of both extremes, seemed to have been the safest, affording the surest guarantee against internal discord as well as foreign aggression.

The American people seem always to have misunderstood the relation existing between Canada and Great Britain. They are unable to comprehend how Canada has practically become free from British control without resorting to the violent course they were compelled or thought proper to take, and they have been wont to consider Canada as much an integral part of Great Britain as Scotland or Ireland.

The most casual enquirer will find the following erroneous impressions prevalent amongst them :—

That Canada pays tribute generally, or is specially taxed for the support of the Imperial army and navy.

That British manufactures must necessarily be admitted into Canada free.

That the British Parliament may legislate for Canada as it sees fit, without the consent of the Canadian people.

With such and the like false impressions in their minds the American people at the close of the civil war, still suffering from the tension thereby occasioned, feeling the necessity of preventing foreign competition and of providing employment for their disbanded armies, adopted the policy of protecting native industries and productions. Although it was even then possible to have arranged with Canada for unity of action and reciprocal free trade, the American people, possessed with the views referred to, treated Canada as a British outpost or a foreign country, notwithstanding that she was then almost as intimately connected commercially with the United States as any one of the States themselves.

The result commercially was injurious to a large portion of

the population of both countries, and inasmuch as the population of the United States along the border is greater than that of Canada, it may fairly be presumed that such injurious effect was felt by a greater number of Americans than Canadians, although from the greater diversity of occupations, the injury was of a more transitory character.

Canada waited for years in the hope that the American people would take more enlightened views in accordance with the actual facts, until it became clearly apparent that her own manufacturing interests were suffering, and her general welfare was being retarded by allowing American manufacturers to have freer access than the United States allowed to Canadians.

Then, and not till then, did she adopt a protective policy, imposing upon not only American but British manufactures such duties as were alleged to be sufficient to secure the prosperity of native industries. The almost unanimous approval of that policy by Canadians indicated the pressure upon the masses caused by the American protective policy, and thus to the action of the American people, based upon misconceptions arising from the indefinite character of the relations between Canada and Great Britain, is due the first step of national importance taken by the Canadian people, fitly termed "The National Policy."

The fact that under such policy British and all other importations pay like duties, proves the error, but Canadians have borne the brunt of the loss occasioned by their own neglect to establish in time more clearly their proper relations towards Britain. With the abandonment of such ideas, it is reasonable to presume that the American policy towards Canada, thus conceived in error, would be, without further consideration as to the possibilities of trade, at once cast aside.

Let us now consider how these policies have affected each. Examination of the statistics will show that the trade between the two countries, which at one time increased with even more marvellous rapidity than their own growth, has been checked, and has become in a measure stagnant. Such stagnation means that the profits on the trade had previously been reduced to a very small margin, and the country, besides sustained the loss of profit upon the increased trade which the restrictive policies alluded to have prevented, whilst for articles the price of which

is insufficient to pay transportation for long distances, including the baser ores and many other natural products to the successful handling of which the market afforded by a large adjacent population is necessary, it means that there is no market at all. The earning power of the Canadian people has thus been curtailed, and both the field and the remuneration for labor diminished; and the vast mineral and other natural products with which the country abounds, in the working of which an army of consumers would find profitable employment, lie neglected and unproductive. And so it happens that the progress of Canada in wealth and population has not been so great as it might have been.

To Americans, the continuance of these policies means less purchasing and consuming power amongst a kindred neighboring people, and that Canadian trade, finding other outlets, is likely to be forever lost to them. In 1885 the exports from Canada to the United States amounted to \$39,000,000. In 1887 they amounted to \$34,000,000. In 1885 the imports from the United States were \$53,000,000. In 1887 they were \$45,000,000,—showing in two years a decrease of exports of \$5,000,000, and a decrease of imports of \$8,000,000. And if we look back over the record, the proof is still more convincing that these restrictive policies have seriously retarded the progress and prosperity of both countries.

So far as Canada is concerned, the statistics show that of mining products England takes little or nothing, and of the product of our fisheries, she takes barely half of what is exported to the United States, whilst of agricultural products she takes more than double, with these results:

The mining industries of Canada are stagnant. Her fishermen cry aloud for their natural market amongst the dense populations of the Eastern cities and the Pacific coast, having only the choice of two evils, viz, to pay the American duty or risk shipments abroad with the probability of loss. Notwithstanding the increased trade with England in agricultural products, Canadian farmers justly complain—as the statistics relating to their industry conclusively shew that the returns for their labor are being curtailed, and that the choice between the same evils is to them injurious.

It is therefore clearly demonstrated:

That some of the most valuable products of the country cannot be exported at all, and that agricultural and other products exported to England do not yield the same profits as they would if marketable in the United States. These are grievances of which the people, have a right to complain. They affect by far the greater part of the electorate of Canada in point of capital and numbers, and a remedy must be had.

In making these statements let me be clearly understood.

Canada will not be ruined by reason of a continuance of the present American policy, she will merely be an aggrieved loser, or rather her people will not receive so much profit for their labor as they otherwise would.

The United States will not be ruined by the loss of Canadian trade, but the American people will reap less profit—

Why this loss to either? This is a question which commends itself to the thinking men of both countries.

The statistics of trade between the two countries do not convey their full meaning without reference to the rapid development of both. Progress in wealth, population and material development, has never ceased in the United States, whilst Canada, after recovering from the blow needlessly inflicted upon her by the American policy, has made rapid strides, not as a natural outgrowth so much as a forced development, caused by the expenditure of immense sums borrowed by Municipalities and Governments, and expended upon railways and public works.

Great improvements have been made in the waterways. Numerous railways have been constructed, including the Canadian Pacific trans-continental line, comprising with its branches over 4000 miles of railway, with its steamship lines on the oceans—constituting a stupendous enterprise unequalled in the history of the world. These expenditures have stimulated many industries; and manufactures in certain lines have increased, until the limit of the market afforded by the sparse population has been passed.

The North-Western prairies, now easy of access, are attracting the attention of the world by their marvellous fertility and the quality of their products. The Saskatchewan river, rendered navigable from Lake Winnipeg to the Rocky mountains, giving over 1000 miles of inland navigation and a railway line

now under construction, will in a short time place the immense area of that fertile region, sufficient it is computed to make ten such states as Illinois, in as favorable a position as regards cheap transportation as the more Eastern Provinces or the Eastern States of the Union, and whilst this immense region contains all the requisites for the support of a dense population, its resources in ores, minerals, and timber, are practically boundless.

The development of such a country and the progress made in other sections must have caused a steady increase in the trade of Canada.

Whither has this trade, at one time of great profit to the country and of interest to the American people, gone? What proportions the trade of both countries under more liberal and enlightened fiscal arrangements might not by this time have assumed, and what wealth both nations might have derived from it, can only be conjectured. Reference to the increased trade in articles included in the free list, gives only a faint idea of the possibilities under a policy of continental free trade, and it is impossible to compute the losses the toiling masses, the manufacturers, the artisans and wage-earners have sustained by reason of these fiscal policies, foreign alike to the principles, wishes and aspirations of the majority of the inhabitants of this continent.

The foreign trade of the United States has not been so profitable nor so extensive as it would if free access to Canadian raw materials had been possible, and American fishing industries have been cramped to the loss of those engaged therein, to say nothing of the indemnity of five millions paid for temporary privileges.

A glutted treasury and a glutted labor market, indicate excessive taxation, over-production and declining industries in the United States.

Bradstreet's gives the following summary of strikes and lock-outs of importance taking place during 1877, as compared with 1886:—"The totals are believed to include at least nine-tenths of the total industrial and transportation company employes who have struck within two years past. There are reported 884 strikes, involving 340,000 strikers for 1887, as compared with 350 strikes (of note) and 450,000 strikers in 1886. The outbreaks have increased two and one-half times, but the number

engaged in 1887 was but three-quarters of the number engaged in 1886. There were 20 lockouts of 46,000 employes last year and three-fourths of them the year before. Two-thirds of the strikes were for higher or against lower wages, or for shorter hours at unchanged wages, and one-fourth of them concerned trades union demands, not relating to wages or hours directly. Of the total striking last year, 340,000, about 40 per cent. succeeded, as compared with 20 per cent. succeeding in 1886. These figures point to there having been at least 1,300 industrial strikes in the United States within two years by some 850,000 employes, of whom about 30 per cent. gained their points wholly or in part. Out of 340,000 strikers, Pennsylvania reported 111,317, or nearly 33 per cent., and New York 62,656, or 18 per cent., or, these two States together, one-half of the total."

Even as straws show the direction of the wind, so do the movements of the masses indicate where the pressure for existence is most felt.

The cost of living, enhanced by duties on raw materials and duties on manufactured articles, has become too great to admit of wage-earners reaping the reward formerly possible.

Thus the cost of production increases until the limit at which it is profitable in some instances has been reached, and yet prohibitory tariffs prevent relief from without, while trusts, combinations and pools plunder the people within.

The masses resort to strikes and the employers to lock-outs. Trade is disarranged, capital rendered timid, and, if a change is not made stagnation and financial stringency must ensue. Yet the work of organizing trusts and combinations, and the vast cohorts of labor, goes on, and the profit to be derived from the intelligent application of labor and capital is still further diminishing. Duties upon raw materials contribute to lessen the margin between cost and value. Duties upon the necessities of life render it absolutely necessary for the wage-earner to fight for a better recompense, and so the struggle continues, the end of which we know not.

Trust pools, combines, and labor agitations seem to follow these protective policies like wild beasts after a herd of deer. Established firmly in the United States, they are daily gathering strength in Canada. The remedy lies in widening the field for

competition in both. Such circumstances must more or less injuriously affect every interest in both countries.

In short, these protective policies are as a Chinese wall directly through the centre of the most productive part of this continent, and they are an unnatural barrier in the way of its material development.

Canada is the nearest area to American manufacturing centres, and consequently the cheapest from whence raw materials and sustenance for American wage-earners can be obtained. It would therefore seem that a free trade arrangement with Canada would afford needed relief to the American people, and materially benefit the Canadian masses.

In Canada, although considerable progress has been made yet it has not been so rapid nor so great as it would if the American tariff had not been imposed, nor has it been so great as it ought, in view of the enormous expenditures of capital made during the last few years.

Canadians paid a heavy penalty for their *undefined* British connection when the American tariff was established, and they paid it again (as they have at intervals for the past one hundred years), when their own National Policy was introduced.

Reference to the vast imports during the last few years of certain classes of English goods will illustrate how much protection, the Canadian wool grower and manufacturer for instance, secured. The rate of wages in the United States does not vary materially from that of Canada, and the following table from the American almanac, comparing wages and expenses of mechanics in Massachusetts and Great Britain, sheds some light upon this subject.

AVERAGE WAGES AND COST OF LIVING IN MASSACHUSETTS AND GREAT BRITAIN.

From the 16th Report of the Massachusetts Bureau of Statistics and Labor 1885.

Industries	Av. Weekly Wages, 1883.		Industries.	Av. Weekly Wages, 1883.	
	Mass.	Brit'n.		Mass.	Brit'n.
Boots and Shoes.....	9.73	4.90	Glass ware.....	10.11	6.54
Building Trades.....	10.91	6.61	Machinery.....	10.67	6.73
Carriages and Wagons....	11.82	6.45	Metallic Goods.....	10.42	6.90
Clothing.....	8.58	5.46	Printing and Publishing..	11.27	5.42
Cotton Goods.....	7.68	4.60	Dyeing, Bleaching, etc....	5.67	4.94
Flax, Linen, and Hemp			Shipbuilding.....	20.44	8.14
Goods.....	5.96	3.01	Woollen Goods.....	6.90	4.86
Food preparations.....	10.02	4.79			

Total average earnings of Mechanics (family of five workers, including children) in Massachusetts per annum, \$803.47; in Great Britain, \$517.47.

Average total expenses of a family of mechanics in Massachusetts, \$754.42; in Great Britain \$308.35.

The American tariff was formulated expressly to provide for the greater cost of living of their mechanics and for years so operated.

The Canadian policy has only so operated to a partial extent. Canadian manufacturers, in the lines constituting the heaviest imports from England, as well as their dependants, are between two fires; the English manufacturer, with cheaper labor and the market of the world before him, can undersell the Canadian. who has besides the difficulty of a restricted market to contend with.

The National Policy therefore, as administered, has to a certain extent proved a failure; and a wider market, with like duties on imports as the United States, has become a necessity.

The English Government was probably aware of these facts before that policy was assented to, but this I suppose is a State secret.

That Canadian manufactures generally are not progressing so rapidly as they would had the principles of the National Policy been rigidly enforced is plain, and although Canadians have not been so told, events have proved that they have had once more to pay the price of British connection by a compromise prejudicial to their interests. This may be loyalty to the Crown and people of England, but it is not loyalty to Canada. The

masses asked for bread, and politicians have given them a stone. Grant them the market of this continent, more wealthy and active than that of England, and one of the disadvantages mentioned will be remedied, whilst the protection the American tariff (or, in other words, the National Policy in its purity) affords extended around the seaboard will remedy the other.

Politicians in Canada must learn that it is not safe to play with the people. To promise and only in part perform, only creates a precedent, and sooner or later complete fulfilment will be demanded at all hazards.

Overlying all this there is another evil, with its rootlets extending in endless ramifications throughout the land, affecting prejudicially the character of our young nationality.

The banking system, by which control of the circulating medium remains in the hands of a few institutions, originated in past times with the view of attracting foreign capital to that particular business, yields such enormous profits that it attracts like a vast sponge and absorbs the capital which would otherwise be expended in enterprises of benefit to the people. Talk of trusts and combines—here is the worst of all combines, a Legislative trust, and this is not the only one. There are others, of which more anon. These institutions, for the most part close corporations directed by a few master minds, controlling the legislative avenues to competition in their own business, holding in their grip the industries of the country, paying enormous dividends, and piling up sinking funds, are becoming a veritable incubus; adding nothing to the development of the country, threatening by turns, as the fancy seizes the controlling spirits, one enterprise or industry after another, until usury has become safe and honorable, and industrious enterprise hazardous and despicable. Thus such a system has become a drag upon the progress of the country, and the prosperity of the masses.

If the policy of restriction is to continue, in the name of all that is just let us have it purely and rigidly enforced.

If the army of producers are to be debarred from the benefits of unrestricted trade with the most wealthy and enterprising nation in the world, it is only fair that the depositories of their earnings and the sinking funds derived therefrom, should likewise be prevented from withdrawing the hard earned savings of the people, and investing them at usurious rates upon

speculative or other securities abroad. Under continental free trade, the Canadian Financial Octopus could not play fast and loose with the people. With the door opened wide for the admission of men of capital and enterprise, who are content to labor for the sake of obtaining fair interest on their investments, and do not usually require both interest and the lion's share of the profits as well, it is evident that all classes will have less dread of being suddenly cramped at a critical period of their operations, and that Canadian industries with an established trade, and having the advantage of proximity to raw materials, are likely to be more fully developed and more profitable than they could otherwise in almost any event become.

So far the result of Confederation has been that the various provinces have been strung together by the Intercolonial and Pacific State-aided Railways like beads on a string, and the attempt to fuse the mass by forcing trade along these lines has not been successful.

A defect in the constitution, due to the importation of the British principle of direct responsibility of the ministry to parliament, unsuited to a young and growing country, has appeared. The life of any ministry depends upon retaining the support of the poorer provinces, and these at every election demand fresh subsidies from the National Treasury, either directly to the various provinces, or in aid of railways, oftentimes in barren sparsely settled districts; and then Quebec must always have her *quid pro quo* as well. Thus an immense sum has been unnecessarily added to the national indebtedness, the chief burden of which is borne by the older and more populous provinces, themselves carrying the additional burden of paying directly for their own railways and internal highways.

Another difficulty in the way of Canadian progress is the excessive partyism which has prevailed, and in this connection the following brief review of party politics before the recent elections is instructive and may be amusing.

CANADIAN AFFAIRS.

Elections are the order of the day.

Ontario, the largest and most populous province of the Dominion, is about to decide whether her present Radical government shall remain in office for another four years. The two

political parties have buckled on their armour, and are about to contend with more than ordinary ferocity for the control of the Premier province. The ancient leader, Mowat, and his colleagues are eager for the fray, and their Liberal-Conservative opponents, under tried generalship, backed by the redoubtable Sir John, are not a whit behindhand.

Some years ago the Radical party made a point with the people by preventing representation by the same individual of constituencies in both the Provincial and Dominion Parliaments, arguing that the interests were incompatible. Then the Conservatives were in power in both the Dominion and the Province. Now the Radicals in power in the province rather back down on their own principles in bringing forward a Provincial election before that of the Dominion, with the view, should they be successful, of converting weak-kneed electors who love to be on the winning side into supporters at the coming election for the Dominion.

Quebec, the next largest province, has lately gone through a similar experience, and there also the principle of disconnecting the Provincial from Federal politics has been set aside. The question as to whether Riel, the rebel leader in the North-West, should or should not have been hung after having been convicted of crimes similar to those of the Chicago Anarchists, and over which the Conservative Provincial government had no jurisdiction, caught the French sympathetic race prejudice, and their votes at the polls, adverse to the government—*ergo*, to the Conservative party and Dominion Government. But to an impartial observer votes thus caught on an imported issue have no significance.

The Province of Ontario, under the Conservative *régime*, was the happy possessor of a considerable surplus. The Conservatives contend that since the Radicals took possession the surplus has disappeared. The Radicals contend the contrary. It seems that the only way of deciding this question is to return the Conservatives to power.

Between local factions—Orangemen and Catholics, and Prohibition, Moderation, and Whiskey men,—there will be a lively time. Next comes a regular Armageddon on a small scale. A general set-to is expected throughout the Dominion within sixty days. The politics of the Dominion, like those of the

Provinces, are rather mixed. In the Maritime Provinces one faction wants better protection for the fisheries; another the right to sell bait to the Americans to catch the fish; a third reciprocity with the Americans, whilst unitedly they cry for more subsidies to their local governments, and for railways where there is nothing for them to do.

In Quebec, the French want revenge, because Riel was hung, even though the only ground for executive clemency in his case,—that of mistaken duty to his countrymen,—was removed by his stated offer to retire from the field upon payment of thirty thousand dollars.

In Ontario, the most powerful faction is the Temperance organization. They want total prohibition. The Catholics want office, which they call recognition. The Orangemen want none of that sort of recognition. Manitoba wants the Winnipeg and Hudson Bay Railway built at once, more subsidy and no Canadian Pacific monopoly. The Indians lately enfranchised form a new factor. It is said that the great Conservative leader during the recent pow wow in the North-West was recognized as a brother of the Mohawk persuasion, adopted into the tribe, instructed in the latest fashion of wearing the war paint and the most approved mode of scalping the enemy, and finally, after the Indian fashion renamed, after promising his brethren no end of good things, "Old To-morrow." These Indians want grub and that soon, as their source of supply, the buffalo, has disappeared before the advance of civilization. Westward along the Canadian Pacific, across the mountain chain, lies the youngest of the Confederacy, her mountains teeming with the precious metals, her valleys natural cattle ranches, her forests and fisheries immense. With the commerce of the Orient filling the harbors of this lesser Britain, who shall say what her future shall be. The spoiled child of the Confederacy she still cries for more.

Between these contending factions, in the absence of any great question affecting the people at large, it will not be surprising if the electorate of the modern Mesopotamia remain satisfied with a continuance of the policy which has built their great transcontinental highway, and linger long before they part with the master hand which by reconciling such diverse interests in the past made such an event possible. Although

her progress has caused an increase in the public debt, yet the burden as yet sits lightly upon Canada, and as time goes on, must, in the nature of events, become lighter. Her indebtedness is represented by a vast series of public improvements, which, affording ample means of intercommunication, have converted a wilderness into a civilized country with vast opportunities. Subject to a debt so created she would bring under the hammer vastly more to-day (if such were possible) than if these results were evolved from private enterprise.

Canadians abroad view with interest these local battles. They know that their tendency must be to enlighten the masses. That the public must soon tire of false issues and local prejudices, the lingering remnant of a by-gone era. That through such bloodless strife a wider and more enlightened public sentiment is being cultivated, so that when the time for national action does come, as come it will, sooner or later, the people will be better able to judge and more ready to decide, whether for years or forever, what their political future shall be.

Thus have party struggles degenerated into faction fights for power, absorbing that attention which should be devoted to the consideration of economic questions which the ever changing circumstances of a young country continually evolve. After twenty years of confederation such was the by-play of party politics. Is it surprising that the people should be tired of them?

By the action of such forces the public debt increases faster than the progress of the country warrants, and one of two things must shortly happen : Either the power of creating further debt must be limited, or the earning power of the people and the population and resources of the country must be increased and the latter rendered easily and profitably convertible into cash in order to meet the strain. The former, besides inherent difficulties, is not likely to occur until increased taxation has become a dire reality, and therefore it is to the latter that the people of Canada should address themselves. In no other way can that end be as speedily or completely reached as by establishing the freest possible trade relations with the United States, thus affording almost home markets for Canadian products of the field, the river and the forest (now worthless, or of diminished value). Better prices for fishery products. Com-

petition with usurious legislative or other combinations and an influx of capital in the hands of people (among whom usury is a reproach and daring enterprise honored) with which to develop the vast natural resources of the country and give employment to the additional population, such development will surely attract.

On the other hand, through such free inter-communication the Americans can obtain just what they require to enable their manufacturers to compete in quality and price in the markets of the world, and the relations between labor and capital will be more equalized. The fertile wheat belt of North-Western Canada will furnish an outlet for the crowded centres, and a field for the profitable investment of capital unparalleled in its opportunities will be rendered available.

To Americans it must be apparent that a customs barrier along their northern frontier, whatever its uses in the past, is now as prejudicial to them as the one the Southern States proposed to erect. To argue otherwise would be to say that New York or Pennsylvania might enact protective tariffs with advantage to themselves and the rest of the continent. Similarly, Canadians might as well argue that one market is better than two. That Ontario might with advantage erect a customs barrier around her border and so on, *ad infinitum*, and *ad absurdum*. Trade will not take unnatural channels any more than water will run up hill. The application of syphonic tariffs and monopolistic conduits on both sides are expensive processes, productive of leakage and loss to the toiling masses, unworthy of two enlightened and self-governing peoples.

Under these circumstances the earliest means of perfecting a measure which, while preserving to each country its political autonomy, will remedy the present state of affairs, should be to every enlightened citizen of both countries the question of the day.

Herein lies an opportunity—the like of which has perhaps never before occurred as regards the magnitude of the interests involved, fraught with vast importance not only to the present inhabitants of this continent, but to the untold millions whose dwelling-place this continent is destined to be—for the statesmen of both countries, statesmen evolved from the masses,

familiar with the wants of the people, and not mere legislative machines, whose highest ambition is adherence to party creeds.

Again I say, statesmen and not men whose highest aims are confined to manipulating party conventions, gerrymandering constituencies, the representation of minorities, and maundering nebulous notions; to show their capabilities by casting aside party influences and perfecting a measure fair to the people of both nations, and capable of further extension as circumstances from time to time may require.

What a lesson to the civilized world upon the advantage of free government by the people and for the people would the spectacle present of the inhabitants of the youngest of the continents (the heir, and, let us hope, the advanced guard of the civilization of the older hemispheres), discussing and deciding by their votes a measure based upon equal justice and equal opportunities in the pursuit of wealth to all citizens of this continent, without regard to nationality, political faith or national boundaries.

Two modes present themselves:—

1st. By a treaty of complete reciprocity negotiated between Great Britain, Canada and the United States.

2nd. By a Commercial Union or Continental Free Trade inaugurated by the concurrent action of the American and Canadian Legislatures.

The inherent tendency of the first-mentioned is towards transition, and against that permanence which should be a marked feature of any such arrangement. Canada tied to Great Britain as one of the parties to such a contract, may at any time be compelled (when British interests require it) to terminate the arrangement, and the same result would ensue when the interests of the United States conflicted with those of Great Britain. Although better for Canada than existing conditions, it is not so likely to be so productive of good as the last-named plan of Continental Free Trade by means of the concurrent action of both legislatures.

It has been said by some that such action involves a declaration of the independence of Canada. By others, that it involves annexation or political union with the United States. In point of fact it involves neither.

These are mere probabilities, the occurrence of which a fair

arrangement at the outset would prevent.

Canada with her left hand firmly grasped by her aged monarchical parent, and her right held in warm friendship by her more mature democratic sister, would be an additional bond of strength, peace and amity between these great Anglo-Saxon communities, whose interests are bound up in the freedom and peace of the world.

With the North-West passage question solved by a highway (guaranteed free to England) through Canada to the East in time of trouble, with free ports for her armaments on the Atlantic and Pacific, with the inviolability of the American continent, and American interests adequately guaranteed, little would be left to be sought for beyond upright administration of the laws; and a peaceful, happy and contented people would thus be left to push their conquests not in fratricidal contests but over the obstacles which nature alone has placed in their path.

For the materialistic views expressed priority cannot be claimed. They were first advocated here by the Conservative party, as will be seen by the following extract from a noted speech of its venerable leader, delivered some two years ago at Ottawa, and which reads as follows:—

The policy the Government carried out in 1879—the National Policy—was simply this: That it made the free list as wide as possible for those articles which could not for climatic or *other reasons* be manufactured in Canada; that raw material which could be made up here should be imported free, and a duty placed on those articles which could be profitably produced in Canada, or on articles of luxury for the enjoyment of which the rich classes could well afford to pay. (Loud cheers) This, gentlemen, was the policy we carried out, as you will see by the figures I have quoted.

Opposed by the Radical party, the so-called traditional defenders of the rights of the masses against the classes.

The figures—the *materialist* policy, prevailed. By what process of reasoning the leaders of the Radicals in name, converted themselves into Tories in fact, on that occasion, it is not my purpose now to enquire. Charity compels us to admit that they knew not what they did. Ignorance of material facts which present themselves daily to the masses veiled their mental

vision. They knew not that a master mind had stolen their hidden fire until their cloistered notions, thundered out in endless detail, were weighed in the balance and the verdict of the people became known.

Out of the ashes of that contest this new issue has arisen, based upon the precedent referred to, upon which both of the old political parties may unite for the general good, in the same way as after the memorable struggle all parties in the great Republic united in setting the bounds of freedom upon a wider and firmer basis.

Cautiously the remains of the once great Liberal party of Canada have begun to retrace their steps. The body still moves, but where is the head? Is it gone? or will it reappear more effulgent than ever? Events will determine. The idea of keeping up custom houses surely does not emanate from it. The politically expressed view of unrestricted reciprocity does not either—we shall see. The old political parties are even now dividing upon this issue. For brevity's sake why not call the party of commercial freedom, the Right, and the pull-backs, the Left—experience may show the propriety of such appellations.

Canadians to-day differ from the British or any other European nation as much as do the citizens of the United States.

Truly has De Tocqueville said, "that the new world would draw apart from the old the more the manners and customs of each differed." The motives, the incentives, the primary causes of action in the old world present few points of similarity to those prevalent in the new. The Political and Commercial Union of Canada and Great Britain, or Imperial Federation is therefore an unnatural dream incapable of realization, and its promotion only demonstrates that if complete free trade with England 3,000 miles away would be an advantage to Canada, how much greater the advantage of free trade with a wealthier and more populous country immediately adjacent would be.

Canadian independence, also a dream, presents in connection with continental free trade possibilities of realization in the near future. The political union of Canada and the United States is unnecessary and not desired by the people of either, so with this we have nothing to do.

Let us leave dreams to political dreamers and deal practi-

cally with *that which is*, and leave that *which may be* for the future to decide.

The legislatures of both countries happily can ere long be compelled to take concurrent action to establish freedom of trade upon this continent, and it is by insisting upon the full accomplishment of this, and not by adherence to sentimental old-world traditions, that the citizens of both countries can best show their loyalty to their race and to that Greater Britain which they inhabit.

To exemplify the difference which exists between the old and new hemispheres, let us take a glance at the position of affairs across the ocean. Nothing is more striking to the natives of this continent than the state of armed peace prevalent there.

Armaments everywhere. Everywhere the most complete systems and most ingenious appliances for depriving human beings of what is most precious, life itself. The right to live, given by an all-wise Creator, is by their brethren to be cut short. Homes are to be filled with mourning. Misery untold is to be inflicted to satisfy the greed, the temper or the whims of designing despots. Compulsory military service for the best part of life prevails. To keep up such armaments the masses labor and strive; veritable slaves, in life miserable, in death forgotten. Where is the roll of those who fell at the behest of Napoleon the First, or in the Crimea, or Africa? Where the death-roll of those slain at the mandate of the Third Napoleon and the Emperor William, or the Russian autocrat. Of what benefit were these wars? May such murderous, brutal, unnecessary contests waged at the caprice of tyrants long be foreign to these shores. Their authors have also gone, compelled at length to surrender the right to live, which by their actions was denied to their countrymen.

Struggles there have been and struggles there will be between men and between nations while the world lasts, but in this Greater Britain of ours, so far, the struggles have been for *freedom, union and progress, great watchwords of the past, let them ever guide our future.*

Military glory! the bane of the old world. What is such glory that the life given for higher purposes by our Creator, and our children's bread, should be sacrificed to it. There is no

true glory except in remedying wrongs and assuaging distress amongst those with whom our lot is cast.

Hereditary honors and class distinctions,—rewards in some measure for services in this country to British connection, or for military services elsewhere, have no place or meaning here. For pomp and fanfaronade of emperors, kings and princes, the people of this Greater Britain have no use. On the contrary, their sentiments are correctly expressed by the sweet measures :

" Howe'er it be,
It seems to me
'Tis only noble to be good,
Kind hearts are more than coronets,
And simple faith than Norman blood."

Materialism, born of freedom and education, lives here ; **THERE** mistaken sentiment, child of past ages of ignorance and superstition. Europeans would seem to be predestined butchers from birth, but those born under the free skies of America are not. May European ideas, largely the overflow from polluted streams, fetid with carnage of ever recurring holocausts—or history is written in vain—never gain a foothold on these shores.

In British contests Canadians have participated the world over. In the Crimea. In India. In Africa. Although we may admire their courage, we are tempted to ask : To what purpose? Have they thus given bread to the hungry, or homes to the homeless? Never! On the contrary, their efforts have tended, although in an infinitesimal degree, to continue the subjection of alien pagan peoples, the product of whose pauper labor daily comes more and more into competition with our own. The mission of the inhabitants of America, the Greater Britain, is upon their own continent. The less they concern themselves with affairs occurring across oceans 3,000 miles wide, the more loyal are they to themselves and their race, and the more likely will they be to achieve that true glory which, undimmed by succeeding ages, will eternally exert a beneficial influence upon posterity.

Having disposed of political dreams and European connection, let us have a look at the gloomy spectre of direct taxation, which it suits the party of the Left to conjure up in the hope of frightening child-like electors into concurrence with their views. Direct taxation will never be resorted to unless the pre-

sent fiscal policies are continued. Continental free trade is the surest guarantee that such a mode of raising the wind will be unnecessary. At the outset there may be a deficit, but the reduction of our expenditures (in any event necessary), and the increase of wealth and population, will be likely to turn that deficit into a surplus. The adoption of the American excise duties would make up a portion of the revenue formerly derived from customs. The issue of a national currency in place of interest-bearing debt would still further assist. The expenses of administration must in any event be curtailed, and the sooner we begin the better. Besides, is it not reasonable to suppose that the conditions which have produced such a surplus in the United States would prevail here. Under the proposed arrangement there would be no reason why they should not, but, on the contrary, every reason why they should, to at least as great a degree.

Again, the mode proposed should meet with the approval of all native Canadians who feel that the material interests of *Canada* should *first* be considered.

By the concurrent action of both legislatures the prejudicial element of uncertainty necessarily accompanying any arrangement based upon considerations in any degree foreign to this continent will be eliminated, and the well-grounded apprehension Mr. R. G. Haliburton describes in his able pamphlet "*The Dream of the United Empire Loyalists*," will forever be set at rest. He says, "A century of British diplomacy has taught us to regard the arrival of an English statesman on our shores with the same dread that heralds the coming of cholera or the approach of an earthquake."

Again, he says, speaking of the frequent cessions of Canadian territory and rights, "Our loyalty to the Crown had swallowed up our loyalty to the race."

Immediate action is what we require in the direction of increasing our wealth and population, and the way is open to secure it. Why should not the details of such a measure by the concurrent action of both Legislatures be left to a commission under the alternate presidency of the President of the United States and the Governor-General. Such a tribunal, composed of representative men, already selected by reason of their ability to fill high positions in both countries, would bring to these

questions the widest degree of intelligence, unhampered by partizanship, or suspicious ignorance ; and such changes as time and circumstances might render advisable, would be made with the tendency of widening its sphere of usefulness.

Under these circumstances it is to be hoped that the time is at hand when a measure of continental free-trade will, with the assistance of representative men of all parties, be carried into effect, so that it will be possible for the citizens of both countries to enjoy the utmost advantages which the continent affords without injury to the interests of either ; and thus the inhabitants of the two most important sections of this continent may be permitted to progress together, emulating each other only in improving the lot of the toiling masses, and in rendering available for the poor and destitute of every land the vacant spaces yet left in the magnificent domains under their charge.

CANADIAN MINES AND RECIPROCITY.

BEING A PAPER READ BEFORE THE COMMERCIAL UNION
CLUB BY T. D. LEDYARD, OF TORONTO.

In considering the mining interests of a country, and the wealth which profitably worked mines bring to it, coal and iron are by far the most important factors. These minerals are the source of much of England's greatness, and nature favours any country in which they are found in abundance. They do not enrich any individual or any class of men so much as they benefit the whole community. Coal, certainly, except in the case of coke, undergoes no change until it passes into consumption, requiring only mining and transporting before it reaches the consumer; but iron requires the labour of many hands at every stage, and its value is multiplied many fold before it reaches the consumer. Take steel rails, for instance, which is only one case out of many; one and a-half tons of high grade iron ore are required to make a ton of steel rails. This ore costs, say \$3 to mine, but the ton of steel rails is worth at least \$30. That is, the value of the steel rails is ten times the value of the ore which made them, showing that nine-tenths of their cost is distributed in the labour of smelting the ore, the cost of fuel and of transportation, and in the different processes they undergo until the perfect steel rails are produced. By far the greater proportion of this is expended in labour, and therefore it is that iron and steel manufacture benefits a country more than any other. For this reason the state of the iron trade is the financial barometer of a country's prosperity; if the iron trade is prosperous wages are good and freely distributed, and other lines of business take their cue from it. My remarks on the subject will be chiefly confined to our iron interests.

THE SPANISH MINES NEARLY EXHAUSTED.

Here is one very important point in considering the Canadian ore question. While our grain markets are being cut off by Indian and Russian wheat, our ores are likely to be required at an early date. England derives most of her Bessemer ores from Spain, whence also the United States get the greater part of their imported ores. For some time past reports have appeared showing that the Spanish ore deposits cannot last much longer. Recently a statement has been published that the Campanil district, one of the most important, has very much reduced its production, and that before long it will cease altogether. The exhaustion of Spanish ores will produce far-reaching consequences; if England were deprived of these ores she could no longer produce the cheap steel she now manufactures, and a great and radical change must take place. When the Spanish ores are exhausted (and a very few years must see the end of them) no part of the world will offer greater inducements for the manufacture of steel than our own Canada, and if a sufficient market is opened to her, there is no reason why this country should not become a large producer of iron and steel, and obtain a share of that prosperity which naturally follows. In that case it would not be at all surprising to see some of the large English iron manufacturers transplanting their works to Canada. We should then have an opportunity of seeing how far their loyalty goes; the boot would then be on the other leg. I am very much mistaken if these same English manufacturers, having transplanted their business to Canada, would not be the most enthusiastic Commercial Unionists of us all. This is no visionary dream, for already English manufacturers are looking towards Canada; within the last few months I have had several inquiries from England regarding our ores and iron mines.

EFFECTS OF THE UNITED STATES DUTY.

There is at present a duty of 75c. per ton on all iron ore entering the United States; this, of itself, is a handsome profit on mining iron ore, and even 50c per ton is a good profit on the whole output of a large iron mine. The duty of 75c. per ton then prevents many iron deposits from being worked. There

are some large beds of very pure ore so favourably situated that they will pay in spite of the duty, but these are comparatively few. The opponents of Commercial Union tell us that we have the Canadian market ; this is true, but the Canadian market does not amount to much ; 300,000 tons of pig-iron is about the annual consumption of Canada, requiring about 500,000 tons of ore ; half-a dozen good mines would produce this ; in fact two of the leading mines in Michigan would easily do it. The Chapin mine on the Menominee Range last year produced over 330,000 tons, and the Cornwall mines in Lebanon County, Penn., put out in 1887 the enormous quantity of 700,000 tons, or over 2,000 tons a day for every working day throughout the year. One single furnace company in the States, The North Chicago Rolling Mills Co., uses 1,700 tons of ore a day, as much as would supply the whole of Canada.

A LIMITED HOME MARKET.

Our market, besides being so small, is very much scattered, and distance tells heavily in the transportation of iron. In Nova Scotia iron and coal occur in close proximity and there is every facility for cheap iron manufacture, but where is the market ? The freight to Montreal is high, still higher to Toronto, and prohibitory to Winnipeg. The natural market for Nova Scotia coal and iron is, of course, in the Eastern States, and the market for British Columbia coal and iron is in the Pacific States ; and did not the tariff prevent it a great trade would be done to the mutual benefit of both countries.

RICHNESS OF CANADIAN IRON ORE.

During the year 1887 the United States used 13,250,000 tons of iron ore, of which 12,000,000 was produced from their own mines, and one million and a quarter imported, mostly from Spain, but very little from Canada. The ores imported from Spain are of Bessemer quality, and very free from impurities, but are not so rich in iron as some of our Canadian ores, the average Spanish ore not yielding more than 50 to 55 per cent. of iron, while some of our ores run as high as 62 to 67 per cent. of metallic iron. Under reciprocity with the States a great part of these Spanish ores would be replaced by

Canadian, to the great advantage both of our neighbours and ourselves. The advantage to the United States blast furnaces importing Spanish and other Bessemer ores from Europe is that, at certain points on the Atlantic coast, or contiguous to Atlantic ports, these ores can be laid down cheaper than Lake Superior Bessemer ores. The advantage is simply in the cheapness of these foreign ores ; they give employment to no one in the United States, either in mining or transportation to the Atlantic ports, as they are generally brought over as ballast in foreign vessels. Whereas, if the duty were removed from Canadian ores, these could be delivered from the Ontario iron districts to good distributing points on the lakes, such as Charlotte, Fairhaven, Buffalo, Cleveland, Fairport or Ashtabula, cheaper than Spanish ores can be imported, and American cars and railways would have the carrying of them. Other things being equal, American furnaces would, no doubt, for several reasons prefer Canadian ores to those imported from Spain of equal quality and at the same price ; but if it can be shown, as it certainly can, that without the duty, richer Canadian ores can be delivered to many American furnaces at far lower prices, a great benefit would be conferred on the iron industry of the United States. And this could be done without interfering with domestic ores, for it would be some time before Canadian ore would more than replace that imported from Europe, and then the increasing consumption would absorb all that we could send them without diminishing the consumption of their own ores.

CONVENIENT LOCATION OF ONTARIO'S MINES.

Ontario has large deposits of excellent Bessemer ore so situated that it can be delivered at Buffalo very cheaply. Go down to the Esplanade and walk from the Don to the western boundary of Toronto along the railway tracks, and any day you will see hundreds of coal cars which come here from the coal regions of the United States, laden with coal, some of which go east to Belleville, perhaps further, and some north-east to Lindsay, but after unloading their coal they mostly go back empty. Now, when these cars are at Belleville or Lindsay they are not far from our Bessemer iron ores, which they could take back as a return freight, and deliver at furnaces in Pennsylvania, close

to their destination. A large trade would be done in this way if there was no duty ; our iron mines that are now lying idle would be developed, benefiting our back country more than anything else, giving employment to numbers of miners, a good market to the farmers in the neighbourhood, as well as business to the storekeepers.

COMMERCIAL UNION DISCUSSED.

This trade would also benefit the United States, for in the consideration of the great question of Commercial Union we should not look at it only from our own standpoint, but should see how it will affect our neighbours. Buffalo is now becoming an important distributing point for iron ores, and will be still more so in the future ; ores are delivered there by vessels from Lake Superior and distributed by rail to furnaces in Pennsylvania. Lake Superior ores are taken from the mines to Marquette, Ashland, or Two Harbours on Lake Superior, or to Escanaba on Lake Michigan, and then shipped by boat a distance probably of over 1,000 miles to Buffalo, whence they are again transhipped to railways which carry them to the furnaces, thus necessitating three different handlings, and this route is open only during the season of navigation. But our ore districts in Central and North-East Ontario are within 250 miles of Buffalo, from whence our ores can be delivered by rail all the year round in returning coal cars, which can be run direct to the mines without going much out of their way, and from thence run through to the furnaces without transhipment and with only one handling. The return freight of ore is so much additional business to the American cars and railway companies, as well as to our own railways, and the furnaces can get cheaper Bessemer ore much closer to them than Lake Superior.

THE DUTY THE CHIEF DIFFICULTY.

I have been endeavoring for some time to find markets for our ore in the United States, but it has been up-hill work, the duty being the chief difficulty. There has also been in the past considerable prejudice against Canadian ore ; for this, I will freely admit there has been some ground. While we have excellent ores, we have also some poor ones containing objectionable matter. Through ignorance partly, and perhaps some-

times through dishonesty, these bad ores have been sent to the other side; there are places through some parts of our mineral districts where the ore contains titanium, the worst enemy to iron ore. These ores should never have been touched, but in some instances they have been sent to American furnaces for trial, only resulting in their condemnation and in giving the furnace men the impression that our ores are titaniferous.

UNFAIR STATEMENTS ABOUT OUR MINES.

Sulphur is also an objectionable element, and some of our mines, as in nearly all iron districts, contain too much sulphur. Injury has been done to our interests by ores too high in sulphur having been shipped. Some of the United States mine owners have not been slow to circulate the statement that all Canadian ores contain titanium and sulphur, but nothing is more unfair than to condemn a whole country, and especially such a mineral country as Canada, where the ore districts extend for hundreds of miles, because objectionable ore is found in some parts. There is bad ore in almost every iron district. Titaniferous ore is found in Minnesota, on the north shore of Lake Superior, not far from the district where The Minnesota Iron Co. produces the very best Bessemer ore, and similarly, ores too high in phosphorus and sulphur are found in the Marquette and Menominee districts, not far from the most celebrated mines of pure ore. It is most unfair therefore to give our ores a bad name, because in some parts of our vast mineral districts are to be found some objectionable matters. Not only owners of American mines have spread these reports, but some of our own people are much too quick to condemn the products of their own country. People who know nothing about the subject have told me that our ores are not good, but strangely enough these are generally the opponents of Commercial Union, who arrogate to themselves all the loyalty in the country. It is a curious loyalty which refuses to recognize whatever is good among our own productions.

ANALYSIS OF CANADIAN ORE.

Within 110 miles of Toronto, close both to the Midland branch of the Grand Trunk, and also near to the Canadian Pacific railway, are deposits of Bessemer ores of excellent quality. An analysis of ore from a large bed in the Township

of Belmont shows sulphur, only a slight trace ; phosphorus, 0.002, or one-thirtieth of the permitted limit for phosphorus in Bessemer ore ; metallic iron, 65.36 ; the chemist remarking on the exceptional purity of this ore. Another analysis of average ore taken from all over this deposit gives metallic iron, 66.29 ; manganese, 0.42 ; phosphorus, 0.024 ; silica, 3.19 ; titanium, none ; sulphur, practically none. These analyses were made by chemists of large blast furnaces in the States, and have fully confirmed the first analysis made by Prof. Chapman, of the Toronto School of Science, from surface samples of this ore. The latter remarks :—" This is an exceedingly good ore, not too close in texture, rich in metal, quite free from titanium and practically free from phosphorus and sulphur, while the rock matter would be almost self-fluxing. It is well adapted for final treatment by the Bessemer process." Dr. Chapman's opinion has been fully confirmed by practical iron men. Another analysis gives iron, 68.88 ; silica, 3.18 ; phosphorus, 0.006 ; titanium, none ; sulphur, none ; which is about as nearly a perfectly ideal Bessemer ore as can be conceived. One prominent man in Cleveland writes, " I can sell all the ore of this quality that I can get." Professor Thomas Heys, of this city, who examined this ore bed, makes a similar report regarding the quality of the ore and estimates that there are at least a million tons of ore within a hundred feet of the surface. The Snowdon iron district, 40 miles north-east of Lindsay, contains good Bessemer ore, very free from impurities. Analyses show 62 to 63 metallic iron ; phosphorus, trace ; sulphur, 0.025 ; titanium, none. In order to be of Bessemer quality, the amount of phosphorus must be very small, the limit in a 60 per cent ore being 0.06. When the analysis shows a trace only, this means less than 0.005 per cent. phosphorus, or less than one-tenth of the allowance for Bessemer ore. These analyses, therefore, show our ore to be more than usually free from impurities even for Bessemer ore.

ADVANTAGES OF THE IRON INDUSTRY.

To be convinced of the benefit of working an iron mine, a person should go to the neighbourhood of an active mine and judge for himself. The Blairton mine, in Peterboro' County, at one time employed between 300 and 400 men, at wages from

\$1 to 1.25 per day, paying out from \$1,800 to \$2,500 weekly for wages alone. There was employment for every able-bodied man and boy for miles around. The farmers from surrounding townships found ready sale for produce at prices equal to the Peterboro' market. Think of the good this would do to the country! An iron mine, with a production of 400 tons a day, would steadily employ 400 men; the labour of these men would be fully equal to that expended upon 100 farms in our back country, and the benefit would be fully as great as the cultivation and production of 100 farms. Within a few months after starting, several of our large ore deposits could give employment to this number of men in each mine. So that if ten good-sized mines were working they would employ 4,000 men, and do as much good to the country as 1,000 well cultivated farms; but unlike farms, which take several years to clear and cultivate, the mines could be brought to a considerable state of efficiency within a few months.*

The production of Lake Superior ores last year was about 4,000,000 tons, a third of the whole domestic production of the United States, while only about 70,000 tons of Canadian ore were produced in 1886 and considerably less in 1887.

The greater part of the Lake Superior ores go to furnaces in Pennsylvania and Chicago, and are of course subject to no duty; it is because they have free entry to the whole of the United States that these ores can be profitably produced in such large quantities. If they were subject to a duty of 75 cents per ton, many of their mines could not work. It is the duty that makes all the difference. Our ores are similar to those of Lake Superior, many of them fully equal to the best; our labour is cheap and shipping facilities good, but there is the duty against us. The manager of one of the Michigan mines, after visiting the Snowdon iron district, writes: "You have good ores and a good country, but the duty is the killing of Canada." But the most remarkable instance of prosperity from access to the larger markets is to be seen in the Southern States. Many timid Canadians fear that if we have free trade with the States, they

* Nowhere can be seen greater prosperity on the same scale than in the villages which are called into existence by the working of a large mine; good wages are regularly paid and so much cash distributed through the district where, but for the mine, there would be a barren waste.

being so much wealthier and more populous, would wipe us out. Have the Southern States been wiped out by free commercial intercourse with the richer Northern States? Let us look back and see in what position the South was twenty years ago, after the War; the whole Southern States appeared to be completely crushed, so much so that it seemed doubtful if they could ever revive. If Northern competition is so fatal, surely the stricken South could never have made headway against it. But what do we find in the South to day? We find a most surprising revival which is phenomenal in the rapidity of its development and in the actual progress of the country. This prosperity is owing in a great degree to the deposits of coal and iron in the South, and to the enterprise which has developed them, with the assistance of Northern capital. Northern competition has not injured the Southern States, but on the contrary their free trade with the whole United States is the reason of their prosperity, and has caused their rapid development. Does any one suppose, that if the South was cut off from the trade of the Northern States by a Customs line, it would benefit them? In that case, would they not still be sunk in depression and despondency? Undoubtedly they would, and yet that is just the position in which our restrictionists want to keep us.

Canadians are not cowards, far from it, but it certainly seems a most cowardly doctrine to suppose that we, the vigorous young Canadian nation, should be crushed out by competition with the United States when the crippled South has revived and prospered under it. Our iron ores will compare favourably with any in the world; all we want is a market. What Michigan and the Southern States have done and are doing, we can do, if we are admitted to the market of our own continent on equal terms.

WHY THE MINES ARE NOT DEVELOPED.

With many of our iron deposits the duty of 75 cents per ton, simply prevents their being worked; it makes all the difference between a profit and a loss. It is a question of existence; to be or not to be. Yet some restrictionists have asked, "Cannot you work your iron mines at a profit and pay the 75 cents per ton duty?" After inspecting the Belmont mine, before referred to, an American expert stated that within a short time

after commencing work on it he would be taking out 400 tons of ore a day ; the duty on this would be \$300 a day. Perhaps the restrictionists will kindly tell us how they would like an unnecessary tax of \$300 a day on any one of their businesses.

SUMMARY OF THE VIEWS PRESENTED.

The points that I have endeavoured to prove are that we have first-class ores ; that in many cases the duty of 75 cents per ton prevents these ores being mined ; that the removal of the duty would benefit both Canadians and Americans alike.

SMELTING FURNACES.

I have so far only noticed the question of exporting ores to the United States, but there are large quantities of poorer ores which would not pay to export, but which could be very profitably smelted on the spot if we had a market large enough to induce capitalists to put up the necessary works. A blast furnace takes a considerable capital both to erect and run it. There are many suitable points for blast furnaces in our mineral country where ore and charcoal can be had at the lowest cost and where there is every facility for making iron, the market only being wanting. There are numerous deposits of bog ore or brown hematite containing 35 to 45 per cent. of iron, which are suitable for a local furnace but are of no value otherwise. One ordinary-sized furnace would employ in its own work and in the preparation of charcoal a number of men, and would make a good local market for the farm produce of the surrounding country.

AN ERRONEOUS IMPRESSION CORRECTED.

The Canadian market is too small to induce capitalists to put up the expensive works necessary to make iron and steel, but if the whole North America market was open to us there are many points where furnaces would be erected. And here let me correct an erroneous impression with regard to the amount of fuel necessary for smelting iron. It was stated recently in a Restrictionist paper that it required two tons of coal to smelt one ton of ore. This is not the case, the fact being almost the reverse of this. Mr. John Birkinbine, of Philadelphia, editor of the *American Journal of Charcoal Iron Workers*, a very high authority, in a letter to the *Iron Age*, computes one ton of coke

only to make one ton of pig iron. A correspondent of the *Buffalo Commercial Advertiser* last fall stated that 1,900 lbs. of Pennsylvania coke smelts $1\frac{1}{2}$ tons of Lake Superior 66 $\frac{3}{4}$ per cent. iron ore, which yields one ton of pig iron in the furnace. An account appeared recently in the *Iron Age* of a run at the Union Steel Works, Chicago, where only about half the weight of fuel was used in smelting a quantity of ore, the proportion being about 1,750 lbs. of fuel to 3,500 lbs. of ore.

FURNACES SHOULD BE CONVENIENTLY SITUATED.

This makes a vast difference in considering the favourable locality for a blast furnace. If we had free trade with our continent, why should not Toronto be an excellent point for a blast furnace and a good distributing point for its products? We have the best of ores within 125 miles of us and are much nearer to the fuel than many furnaces in the States. Connellsville coke is carried 600 miles to the Chicago blast furnaces, and still they do an immense and very increasing business.

A BENEFIT TO THE WHOLE COMMUNITY.

Although the manufacture of iron and steel benefits a community more than any other, one impressive fact may be stated to show the apathy of Canadians in these matters. Take the C. P. R. east from Toronto, and when you get a little over 100 miles down the line you will be in the mineral district and close to deposits of Bessemer ore suitable for making steel rails. This mineral district extends for hundreds of miles, the C. P. R. traversing a great portion of it. Were the steel rails over which you are travelling made from Canadian ore? Not at all. These rails were bought in England, probably made from Spanish ore, and in their manufacture did not contribute one dollar's worth of benefit to any Canadian, although similar ore from which the rails are made lie almost alongside the railway track. Is this loyalty to ourselves to send money out of the country for articles which we can manufacture ourselves, four-fifths of the value of which would be distributed to pay for the labour of our own miners and mechanics? Instead of doing this, our money has gone to pay Spanish miners and English labourers, who care nothing for us and could not probably point out our country on the map.

CONSUMPTION OF IRON PYRITES AND OTHER MINERALS.

The consumption of iron pyrites for making sulphuric acid is rapidly increasing in the United States. In 1886 112,000 tons were consumed. The duty of 75c per ton is a heavy tax on this article, as pyrites is only worth about \$4.50 per ton in New York, but if there were no duty a large trade would be done, as we have many deposits of pyrites suitable for this purpose. Large quantities of copper ore would be shipped to the States were it not for the duty. In the Nipissing and Algoma districts new and important discoveries of copper have lately been made ; but here again the tariff bars the way. The United States duty on lead ore is prohibitory, and there is little encouragement to develop our galena veins, although, no doubt, we have abundance of this useful mineral, and the same remark applies to several other minerals, notably to the salt industry, which suffers greatly through restriction.

Few people are aware of the extent and importance of our mining districts. There are at least sixteen constituencies in Ontario which are emphatically mining districts. Commence at Peterborough and go east through the counties of Hastings, Addington, Frontenac, Renfrew, Leeds, Grenville, Lanark and Carleton, or commence with Victoria and go north through the districts of Muskoka, Parry Sound and Nipissing, and for hundreds of miles through the great district of Algoma you are still in a mining country, while in the Province of Quebec many counties are fully as rich. No country in the world possesses such mineral wealth as Ontario, where so little is done to develop it.

The mining districts of Michigan and Minnesota are much smaller than ours, yet from those States the market value of iron ore mined in 1887 was about \$24,000,000, of which \$10,000,000 was paid in freight and probably as much in labour, while from a larger area of mining territory we in Canada produced hardly anything.

I am a strong Protectionist, but I do not carry the idea of Protection so far as to advocate a tariff wall between the Provinces of Ontario and Quebec or between the States of Ohio and Pennsylvania.

If it is profitable for Ohio to trade freely with Pennsylvania or New York, why should it not be just as profitable that Ontario and Quebec should trade freely with those States ?

Our commercial interests are identical, and the fact of our having different political arrangements should not make trade between us less profitable.

Now-a-days when there is such keen competition in every branch of the iron and steel business,—and whenever there is a period of depression we hear complaints that there is so little margin of profit,—the question of cheap ores becomes of vital importance.

While every device is resorted to in modern furnaces to cheapen the cost of production, the most important question of cheap ores appears to have been somewhat overlooked.

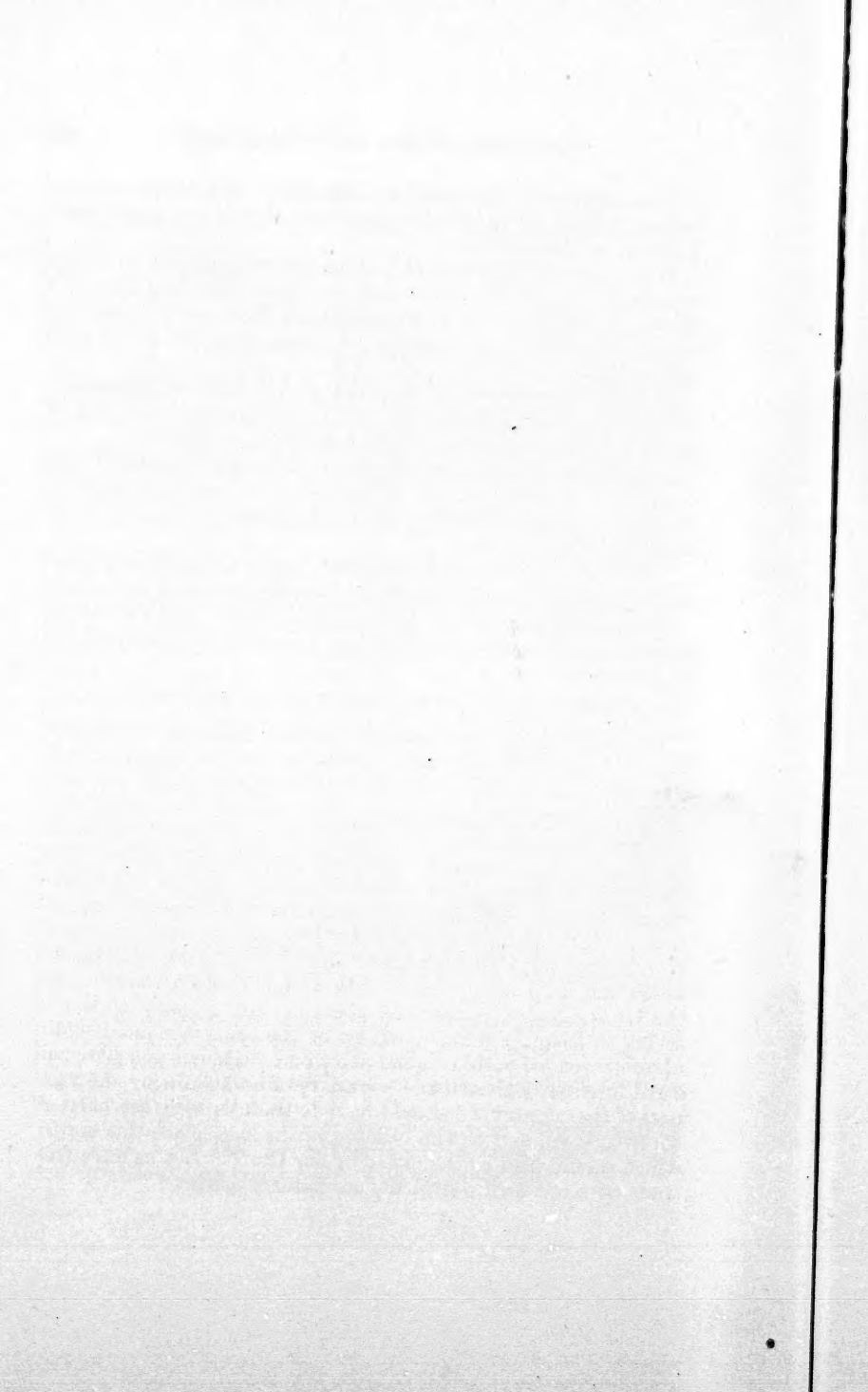
Our Canadian Bessemer ores are so favourably situated that they could be delivered to Pittsburgh and many furnaces in Pennsylvania much cheaper than other ores of the same quality if there was no duty.

Under the present tariff our mines remain undeveloped, while on the other hand the furnaces are anxiously seeking cheap ores.

If the duty was removed this trade would find its natural channel, to the great benefit of the United States furnaces and of our mines.

ABSURDITY OF OUR PRESENT TRADE RELATIONS.

Let any unprejudiced man of common sense, either American or Canadian, stand before a map of North America, and, after carefully tracing the boundary line between us, say why the inhabitants of this great continent, who are of the same race, the same language, the same religion, and who have the same interests, should interpose hostile tariffs against each other. Did nature ever intend that artificial barriers should be placed where only an imaginary line separates us? I would suggest that the Commercial Union Club hang on its walls a map of North America, on which there should be a black line, drawn broad and deep along the boundary line between Canada and the United States, so that the absurdity may clearly appear of trying to keep apart two portions of the same continent which nature intended to be commercially one. Then if you like, run a red line round the outside boundary of both showing the vastness of the country we should have to trade in were the barriers thrown down, and on the heading of the map place this motto, which should also be the motto of our Club, "Let us have free trade with our own continent, our natural market!"



CONSTITUTION AND BY-LAWS

OF THE

Commercial Union Club

OF TORONTO.

CONSTITUTION.

1. This Association shall be designated **THE COMMERCIAL UNION CLUB OF TORONTO.**

2. The objects of the Club are to improve the trade relations and develop the industries of Canada by securing unrestricted reciprocity of trade between this country and the United States.

3. The Club is not connected with any political party ; it invites the co-operation of persons of whatever political party, who are favourable to Commercial Union.

4. The Club will welcome to its membership, and regard as eligible to its Executive Committee and officers, any who may be favourable to its object, in whatever part of the Province or Dominion they may reside.

5. The agencies which the Club employs are public meetings, the diffusion of literature, and co-operation with local associations which may be formed with the same objects in view.

6. The administration of the Club shall be vested in an Executive Committee not exceeding forty in number (irrespective of *ex-officio* members), to be elected by the Club.

7. The Officers of the Club shall be a President, Vice-Presidents, Treasurer and Secretary, all of whom shall be members of the Executive Committee.

8. The Constitution of the Club may be amended by a two-thirds' vote of the members present, provided that notice of said amendment shall have been given by motion at the previous meeting, that a week, at least, shall elapse between the two meetings, and that the proposed amendments shall be set forth in the circular convening the meeting.

9. Any person may become a member of the Club by assenting to the Constitution, and paying an annual membership fee of One

Dollar, or any larger sum he may see fit to contribute to the funds of the Club, the first payment to be made at the time of his admission.

10. The Presidents of Local Associations shall be *ex-officio* members of the Club.

BY-LAWS.

1. There shall be meetings of the Club on the 1st and 3rd Thursdays in each month, at 8 p.m. The Club may also be convened at any time at the call of the President and Secretary.

2. The Executive Committee shall meet at the call of the President and Secretary.

3. Five members of the Executive Committee shall be a quorum, provided that the President or one of the Vice-Presidents shall be present.

